

P-407/M-91-327 ORDER APPROVING PROPOSED TARIFF CHANGES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
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In the Matter of GTE Minnesota's
Request to Introduce a School
Trunk Rate and to Increase the
Metro Area School Individual Line
Rate

ISSUE DATE: October 22, 1991

DOCKET NO. P-407/M-91-327

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PROCEDURAL HISTORY

On May 1, 1991 GTE Minnesota (then, Contel of Minnesota, Inc.) filed two proposed revisions to its school service tariffs. One revision would add a new class of service called school trunk service. The other would increase the monthly rate for metro area school individual line service from \$37.45 to \$43.80.

The Department of Public Service (the Department) filed its Report and Recommendation on June 4, 1991. The Department recommended approving the proposed school trunk line service as just and reasonable and in the public interest. The Department recommended disapproving the proposed increase in metro area individual school line service for failure to meet the requirements of Minn. Stat. § 237.63, subd. 3 (1990).

On July 9, 1991 the Department filed a supplementary report, clarifying that the Company's reason for the proposed rate increase was to make its school service tariffs consistent state-wide. The Department continued to recommend disapproval of the increase.

The matter came before the Commission on October 9, 1991.

FINDINGS AND CONCLUSIONS

The Commission agrees with the Department that the proposed school trunk service is consistent with the special school service statute, Minn. Stat. § 237.065 (1990), is just and reasonable, and should be approved. The Commission will so order.

The Commission disagrees with the Department, however, that the proposed increase in metro area individual school line service must be rejected for failure to comply with Minn. Stat. § 237.63, subd. 3 (1990). That subdivision deals with cost increase filings. This is not a cost increase filing; the Company does not claim that the costs of providing individual school line service have increased.

The Commission has previously rejected the claim that cost increase filings are the only noncompetitive rate increase filings allowable since the passage of Minn. Stat. § 237.63 (1990). The Commission continues to do so in the belief that that is a strained statutory interpretation that would unreasonably limit the Commission's ability to perform its regulatory duties.

The Commission finds that this filing should be examined under Minn. Stat. § 237.63, subd. 4c (1990), which deals with tariff filings that do not fall into other specific statutory categories. Under that subdivision, the Commission is to apply the standards of Minn. Stat. § 237.075, subd. 1 and 2 (1990), except that the Commission may prescribe different notice requirements than those in that statute. The Commission will therefore examine the proposed increase under the "just and reasonable" standard of Minn. Stat. § 237.075.

The Company bases the proposed increase on the desire to make its individual school line tariffs consistent throughout the state. In most GTE exchanges, the EAS (Extended Area Service) additive for school line service is the business additive. In the metro area, the Company initially applied a special school EAS additive. The Company now wants consistent tariffs. Since there are currently no school individual line customers in the metro area, the Company believes it should change the tariff promptly, to avoid disrupting established service arrangements or customer expectations.

The Commission agrees. It is appropriate for GTE tariffs to be consistent statewide, thus avoiding any possibility of geographical discrimination. The appropriate time to make the change is now, before customers take the service expecting the old rate. The amount of the rate increase is just and reasonable.

The Commission will therefore approve the proposed increase in metro area school individual line service. Since there are no current customers of the service, the Commission will require no customer notice of the tariff change.

ORDER

1. The proposed tariff changes filed on May 1, 1991 are approved.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)